## **GROUND LEASE AGREEMENT**

THIS GROUND LEASE AGREEMENT (this "Lease") is made as of the 9<sup>th</sup> day of June, 2005, by and between COUNTY OF YORK, VIRGINIA ("Landlord"), and YORKTOWN FREIGHT SHED L.P., a Virginia limited partnership ("Tenant").

## WITNESSETH:

In consideration of the mutual covenants and agreements contained in this Lease, the parties covenant and agree as follows:

- 1. <u>Agreement to Lease</u>. Landlord hereby leases to Tenant and Tenant hereby takes from Landlord the premises described on <u>Exhibit A</u> attached hereto (the "Premises") and agrees to use, occupy and lease the same in accordance with the terms and provisions hereof.
- 2. <u>Term.</u> The term of this Lease shall be forty (40) years, commencing on the earlier of (i) the date the building known as Yorktown Freight Shed which is situated on the Premises is placed in service or (ii) July 1, 2005.
- 3. Rent. Tenant agrees to pay annual rent in the amount of One Hundred and No/100 Dollars (\$100.00) during the term of this Lease. Rent shall be due and payable on the first day of each month, in equal monthly installments.
- 4. <u>Use</u>. Tenant shall use the Premises for any lawful purpose that is allowable under applicable zoning laws. Tenant agrees to use and occupy the Premises in compliance with all applicable laws.
- 5. <u>Net Lease</u>. It is the purpose and intent of the parties hereto that the rent payable hereunder shall be absolutely net to Landlord. All costs, fees, interest, charges, expenses, reimbursements and obligations of every kind and nature whatsoever related to the Premises, including without limitation, taxes and insurance premiums, shall be paid and discharged by Tenant.
- 6. <u>Maintenance</u>. Tenant shall, at its expense, maintain the Premises in good condition and repair as fully and completely as if Tenant owned the Premises in fee simple.
- 7. <u>Indemnification</u>. Tenant agrees to indemnify and hold harmless Landlord from and against any and all loss, damage, cost and expense (including reasonable attorneys' fees and related expenses) incurred by Landlord as a result of Tenant's use of the Premises or any default under this Lease. Landlord and Tenant (on behalf of themselves and their respective insurers) waive all rights of subrogation for any loss or damage arising from any cause that would be covered by any insurance required or actually carried under this Lease, but only to the extent of insurance proceeds actually received. Landlord and Tenant shall cause their respective insurers

to issue appropriate waiver of subrogation endorsements and shall supply each other with appropriate information from their respective insurers confirming such waiver to be in effect.

- 8. Events of Default. Any of the following occurrences, conditions or acts shall constitute an "Event of Default" under this Lease: (a) if Tenant shall default in the making of any money payments provided hereunder, including without limitation, rent when due, for a period of ten (10) days after the due date thereof; (b) if Tenant shall default in the observance or performance of any other provision of this Lease and if such default shall continue for thirty (30) days after written notice from Landlord to Tenant specifying such default and demanding that the same be cured (unless such default cannot be cured within such thirty (30)-day period, in which event Tenant shall have a reasonable time to cure such default so long as Tenant promptly commences to the cure such default and diligently prosecutes the same to completion); (c) if Tenant shall voluntarily file a petition in bankruptcy, make an assignment for the benefit of creditors, be adjudicated a bankrupt or if a receiver or trustee of all of the property of Tenant shall be appointed in any proceedings brought by or against Tenant; provided, however, that any voluntary filing or proceedings initiated by Tenant shall constitute an immediate default, but any filing or proceedings initiated by a party other than Tenant shall not constitute a default unless same is not discharged within one hundred twenty (120) days of such initiation.
- 9. Landlord's Remedies. After the occurrence of an Event of Default, or if Tenant shall abandon the Premises, Landlord shall have the right, without further notice and without affecting any other right or additional remedies given under this Lease or by law, to declare this Lease terminated and the term ended, in which event this Lease and the term hereof shall expire, cease and terminate, and Tenant shall immediately vacate and surrender the Premises but shall remain liable as hereafter provided. Any and all rights and remedies which Landlord may have under this Lease and at law and equity shall be cumulative and shall not be deemed inconsistent with each other, and any two or more of such rights and remedies may be exercised at the same time insofar as permitted by law. After the occurrence of an Event of Default, Landlord shall have the right to take immediate possession of the Premises and to remove all persons and property therefrom, and Landlord may either terminate this Lease or from time to time, without terminating this Lease, make such alterations and repairs as may be necessary in order to relet the Premises, and may relet the Premises or any part thereof for such term or terms (which may be for a term extending beyond the term of this Lease) and at such rental or rentals and upon such other terms and conditions as Landlord may deem reasonably advisable. Upon each such reletting, all rentals and other sums received by Landlord from such reletting shall be applied, first, to the payment of any indebtedness other than rent due hereunder from Tenant to Landlord; second, to the payment of any costs and expenses of such reletting, including reasonable brokerage fees and attorneys' fees and of costs of such alterations and repairs; third, to the payment of rent and other charges due and unpaid hereunder; and the residue, if any, shall be held by Landlord and applied in payment of future rent as the same may become due and payable hereunder. If such rentals and other sums received from such reletting during any month are less than that to be paid during that month by Tenant hereunder, Tenant shall pay such deficiency to Landlord if such rentals and sums shall be more, Tenant shall have no right to the excess, but such excess shall reduce any future deficiencies herein. Such deficiency shall be calculated and paid monthly. No taking of possession of said Premises by Landlord shall be construed as an election on his part to terminate this Lease unless a written notice of such intention be given to

Tenant or unless the termination thereof be decreed by a court of competent jurisdiction. Notwithstanding any such reletting without termination, Landlord may at any time hereafter elect to terminate this Lease for such previous breach. Should Landlord at any time terminate this Lease for any breach, in addition to any other remedies it may have, it may recover from Tenant all damages it may incur by reason of such breach, including the cost of recovering the Premises, reasonable attorneys' fees and the excess, if any, at the time of such termination of the rent which Tenant is obligated hereunder to pay for the remainder of the term of this Lease over the fair rental value of the Premises for the remainder of such term, all of which amounts shall be immediately due and payable from Tenant to Landlord. The failure of Landlord to relet the Premises shall not affect Tenant's liability.

- 10. <u>Successors and Assigns</u>. Each provision hereof shall bind and inure to the benefit of Landlord and Tenant and their personal and legal representatives, Landlord's successors and assigns, and Tenant's successors and permitted assigns.
- 11. Quiet Enjoyment. So long as Tenant pays the rent and performs all of its obligations hereunder, Tenant's possession of the Premises shall not be disturbed by Landlord or anyone claiming by, through or under Landlord.
- 12. <u>Applicable Law</u>. This Lease shall be construed in accordance with the laws of the Commonwealth of Virginia.
- 13. <u>Entire Agreement</u>. This Lease contains the entire agreement between the Landlord and Tenant, supersedes all prior negotiations and agreements between such parties and represents their final and complete understanding. This Lease may be modified only by an amendment hereto in writing, signed by both Landlord and Tenant.

[signatures appear on following page]

WITNESS the following signatures pursuant to due authorization as of the date first above written:

LANDLORD:	COUNTY OF YORK, VIRGINIA
	By Name: Title:
TENANT:	YORKTOWN FREIGHT SHED L.P., a Virginia limited partnership
	By: Yorktown Freight Shed Inc.
	By
	Name: <u>David Peebles</u>
	Title: President